

Angelina Federal Employees Credit Union
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Federal Reserve Board

RE: Proposed Reg R-1390

To whom it may concern:

I understand the logic of the Federal Reserve Board in attempting to protect the American people that throughout the years have been preyed upon, abused and neglected by most financial institutions. However, I would greatly appreciate if the members of the board would step up and do their "homework", please investigate rules and regulations that you are proposing changing prior to passing laws that are not helping the consumer.

Angelina Federal Credit Union was founded in 1952 by a ten individuals with the same ideas, "PEOPLE HELPING PEOPLE". That was the goal in 1952 and that remains our goal today. We are here to help our member to enrich their lives and have choices.

In today's environment regulators are overloading credit unions with burdensome regulations that are not helping the consumers; it is putting financial burdens on our organization that is taking away from us helping our members. We offer credit life, credit disability and GAP insurance to our members at a VERY nominal fee. There are costs associated with purchasing those products as we do have operating cost that is associated as well. Our credit union believes that we are a nonprofit organization and that we are here to help our members, not gouge them. With extra regulatory requirements comes an extra expense for our credit union which must be passed along in order for us to continue operating.

I would like to share some of our experiences with the above products and you decide whether they are truly a benefit to you, your children, family or friends.

Case No. 1

We have a member who has a young family, wife and FOUR children, they purchase a new Nissan Armada, \$40,000.00, the credit union finances them at 4.50% APR, this young couple purchases GAP insurance thru the credit union for a cost of \$195.00. Young couple has vehicle for a total of seven months, vehicle is totaled out in accident, and automobile insurance covers the loan on said vehicle, ALL except \$5,470.05. Wow, this young family is now left with a debt of \$5,470.05 on an automobile that is now totaled. GAP insurance was filed and paid \$5,235.24, leaving this young family with only \$234.81 outstanding debt. Can you imagine how your child with a young family with multiple children being left with a \$5,000.00 debt on this loan as well as having to purchase another means of transportation for his family. Their \$195.00 was probably the best \$195.00 they could have ever spent.

Case No. 2

We have a couple in the early forties that close a home equity loan with us; credit life insurance was offered to this couple. Being young, in good health and not considering losing one of their incomes chose not to purchase the credit life which would have cost them about \$22.50 each month. Unfortunately, the wife passed away suddenly about fifteen months of closing loan, now husband is without her income to help meet the needs of his household. He later expressed his regret for not purchasing credit life which would have satisfied his debt on his home and how nominal the charge would have been.

Case No.3

AFECU has a member who purchases a new car, as well as purchasing credit disability insurance. Unfortunately after having the automobile for several years he becomes ill and unable to work, he is thankful that he made a wise decision to invest in credit disability due to the fact that he did not have to be concerned with how he was going to make car payments as well as meet his other monthly obligations on a disability income which was over half his normal salary. That has been about 6 years now and he still praises CUNA and how grateful he was for us offering credit disability.

Review board, I, president of Angelina Federal Employees Credit Union urge you to do your homework prior to passing unnecessary, cumbersome laws that are continually hampering our philosophy of "People helping People". I can't speak for all financial entities but I can speak for us, we are here for the betterment of our members. We thrive when they thrive and we suffer when they suffer.

Sincerely,

Carla Daniel-Kelley
President